

1 **Education Cabinet**

2 **Kentucky Board of Education**

3 **Department of Education**

4 **(Amendment)**

5 **702 KAR 3:130. Internal accounting.**

6 RELATES TO: KRS 156.160, 156.200

7 STATUTORY AUTHORITY: KRS 156.070, 156.160

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.070 gives the Kentucky Board of
9 Education the management and control of the common schools. KRS 156.200 gives the Kentucky
10 Board of Education authority over accounting procedures and reports of local school districts. This
11 administrative regulation establishes uniform procedures for the accounting of school activity
12 funds.

13 Section 1. Definition. "Activity funds" means all school funds including funds [;

14 (~~4~~)] derived from fund raising activities sponsored under the auspices of the school. "Activity
15 funds" does not mean [~~;~~ and

16 (~~2~~) ~~Not including~~] funds raised or received by organizations which do not come under the direct
17 supervision of school authorities.

18 Section 2. A district board of education shall:

19 (1) Have the responsibility for administration and control of all activity funds; and

20 (2) Comply with "Accounting Procedures for Kentucky School Activity Funds".

1 Section 3. [A#] Activity funds internal accounts shall be audited annually by a certified public
2 accountant. [A#] Audit reports shall be reviewed and accepted by the local board[5] and
3 appropriate action taken. [A#] Recommendations and exceptions listed in the audit shall be
4 reviewed by staff of the Department of Education and a report made to the district board of
5 education. A copy of the school audit report shall be on file in both the office of the principal and
6 the office of the superintendent of the local school district where it shall be open for public
7 inspection.

8 Section 4. Incorporation by Reference. (1) "Accounting Procedures for Kentucky School
9 Activity Funds", dated August 2007 [~~July, 2001~~], is hereby incorporated by reference.

10 (2) This document may be inspected, copied, or obtained, subject to applicable copyright law, at
11 the Department of Education, Office of District Support Services, 15th Floor, Capital Plaza
12 Tower, 500 Mero Street, Frankfort, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m.